

**Coca-Cola** BOTTLEERS NEPAL  
(TERAI) LIMITED

(Authorized Bottler of The Coca-Cola Company)

Gondrang, Bharatpur-9 Chitwan, Nepal

Unaudited Financial Results (Quarterly)

As at the end of First Quarter (17/10/2018) of the Fiscal Year 2075/76 (FY 2018-2019)

NPR in Thousand

| S.N      | Particulars                           | As on date 17.10.2018<br>(Unaudited) |                   | As on date 17.10.2017<br>(Unaudited) |                   |
|----------|---------------------------------------|--------------------------------------|-------------------|--------------------------------------|-------------------|
| <b>A</b> | <b>ASSETS</b>                         |                                      |                   |                                      |                   |
|          | <b>Non-Current Assets</b>             |                                      |                   |                                      |                   |
|          | Intangible Assets                     | 52,759                               |                   | 71,412                               |                   |
|          | Property, Plant and Equipment         | 2,902,403                            |                   | 2,702,502                            |                   |
|          | <b>Current Assets</b>                 |                                      |                   |                                      |                   |
|          | Inventories                           | 764,882                              |                   | 896,218                              |                   |
|          | <b>Non Financial Current Assets</b>   |                                      |                   |                                      |                   |
|          | Prepayments                           | 14,024                               |                   | 10,071                               |                   |
|          | <b>Financial Assets</b>               |                                      |                   |                                      |                   |
|          | Advances                              | 7,814                                |                   | 6,798                                |                   |
|          | Other Current Assets                  | 18,058                               |                   | 51,952                               |                   |
|          | Trade receivables                     | 528,525                              |                   | 68,405                               |                   |
|          | Cash and cash equivalents             | 305,373                              |                   | 303,465                              |                   |
|          | <b>Total Assets</b>                   | <b>4,593,839</b>                     |                   | <b>4,110,824</b>                     |                   |
| <b>B</b> | <b>EQUITY AND LIABILITIES</b>         |                                      |                   |                                      |                   |
|          | <b>Equity</b>                         |                                      |                   |                                      |                   |
|          | Equity Share Capital                  | 121,000                              |                   | 121,000                              |                   |
|          | Reserve and Surplus                   | 2,093,993                            |                   | 1,370,155                            |                   |
|          | <b>Non-current liabilities</b>        |                                      |                   |                                      |                   |
|          | Retirement Benefit Obligation         | 340,690                              |                   | 313,275                              |                   |
|          | Deferred Tax Liability                | 58,555                               |                   | 86,275                               |                   |
|          | <b>Financial Liabilities</b>          |                                      |                   |                                      |                   |
|          | Borrowing                             | -                                    |                   | -                                    |                   |
|          | <b>Current Liabilities</b>            |                                      |                   |                                      |                   |
|          | <b>Financial Liabilities</b>          |                                      |                   |                                      |                   |
|          | Borrowings                            | 550,000                              |                   | 58,880                               |                   |
|          | Trade payables                        | 747,533                              |                   | 1,616,352                            |                   |
|          | Other Financial Liabilities           | 682,067                              |                   | 544,887                              |                   |
|          | <b>Total Equity and Liabilities</b>   | <b>4,593,839</b>                     |                   | <b>4,110,824</b>                     |                   |
| <b>C</b> | <b>Profit and Loss Account</b>        | <b>Current Period</b>                |                   | <b>Previous Period</b>               |                   |
|          |                                       | <b>17.07.2018 to 17.10.2018</b>      |                   | <b>16.07.2017 to 17.10.2017</b>      |                   |
|          | Revenue from operations               | 2,153,262                            |                   | 1,727,182                            |                   |
|          | Cost of sales                         | (1,364,970)                          |                   | (1,064,011)                          |                   |
|          | <b>Gross Profit</b>                   | <b>788,291</b>                       |                   | <b>663,171</b>                       |                   |
|          | Other operating income                | 16,850                               |                   | 10,742                               |                   |
|          | Selling and distribution expenses     | (355,050)                            |                   | (281,209)                            |                   |
|          | Administrative and operating expenses | (78,463)                             |                   | (77,869)                             |                   |
|          | <b>Profit from Operations</b>         | <b>371,629</b>                       |                   | <b>314,835</b>                       |                   |
|          | Finance Costs                         | (7,610)                              |                   | (11,430)                             |                   |
|          | Finance Income                        | 10                                   |                   | 4,861                                |                   |
|          | <b>Profit Before Tax</b>              | <b>364,029</b>                       |                   | <b>308,265</b>                       |                   |
|          | <b>Income Tax Expense</b>             |                                      |                   |                                      |                   |
|          | Current Tax                           | (75,392)                             |                   | (38,998)                             |                   |
|          | Deferred Tax                          | (13,776)                             |                   | (44,890)                             |                   |
|          | <b>Net Profit</b>                     | <b>274,862</b>                       |                   | <b>224,376</b>                       |                   |
| <b>D</b> | <b>Major Indicators</b>               | <b>17.07.2018 to 17.10.2018</b>      |                   | <b>16.07.2017 to 17.10.2017</b>      |                   |
|          |                                       | <b>Quarterly</b>                     | <b>Annualized</b> | <b>Quarterly</b>                     | <b>Annualized</b> |
|          | 1. Earnings per Share (NPR)           | 227                                  | 909               | 185                                  | 742               |
|          | 2. Market Value Per Share (NPR)       | 6,750                                | 6,750             | 6,550                                | 6550              |
|          | 3. Price Earnings Ratio               | 30                                   | 7                 | 35                                   | 9                 |
|          | 4. Current Ratio                      | 0.83                                 |                   | 0.60                                 |                   |
|          | 5. Return on Equity                   | 12%                                  | 50%               | 15%                                  | 60%               |
|          | 6. Return on Total Assets             | 6%                                   | 24%               | 5%                                   | 22%               |
|          | 7. Net Worth Per Share (NPR)          | 1,831                                |                   | 1,232                                |                   |

**Note:**

- 1 Figures are regrouped wherever necessary for consistent presentation and comparison.  
 2 Above presented figures may vary with the audited figures if amended by the external auditors and/or regulator  
 3

Quarterly earnings per share, Price earning ratio, return on equity, return on total assets and net worth per share are calculated based on quarterly unaudited profits and number of equity shares outstanding at the reporting date and Annualized earnings per share, Price earning ratio, return on equity, return on total assets and net worth per share are calculated based on annualized unaudited profits and number of equity shares outstanding at the reporting date. Annualized profit calculated basis 1st Quarter profit.

**E Related Party Disclosure**

During the period, the following related party transactions occurred:

| Particulars   | NPR in Thousand |
|---|-----------------|
| Purchase of Concentrate from Pacific Refreshments Pte. Ltd. | 386,125         |
| Transfer fee payable to BNL                                 | 15,380          |
| Transfer fee receivable from BNL                            | 4,003           |

**F Management Analysis**

- a) The Profit after tax has increased by NPR 50 MM at the end of first quarter over previous year same period due to improved volume .  
 b) The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes, enhancing productivity.  
 c) One day less in this quarter as compared to same quarter in the previous year.

**G Details Related to Legal Proceedings**

No legal case was filed in this Quarter by or against the Company.

**H Analysis of Share Transactions****i) Management's view on the performance of the stocks of the body corporate**

Price and transactions of the Company's shares are being determined by the open share market operations through a duly established Stock Exchange. Management's view on this is neutral.

**ii) High, Low and Closing Price of the stocks of the company during each quarter of the preceding year along with total volume of trading of shares and number of days traded**

| Particulars     | NPR    |
|-----------------|--------|
| Maximum Price   | 7,339  |
| Minimum Price   | 5,243  |
| Closing Price   | 6,750  |
| No. of Trades   | 10,693 |
| Days of Trading | 51     |

**I Risks and Challenges****Internal Problem & Challenges**

Rise in cost of operations with Inflation.  
 Rural distribution at effective cost.

**External Problem & Challenges**

Unstable tax regime under federal state.  
 Fluctuation in international fuel prices impacting packaging material cost and transportation cost.

**Strategy**

Proactively monitor the internal and external environmental changes  
 Develop cost effective distribution models for upcountry areas.

**J Corporate Governance**

The Company follows prudent Corporate Governance Practices in all business transactions.

During the Quarter under review, the Company had convened Board Meeting on 21st August, 2018 and 1st October, 2018 and Audit Committee Meeting on 20th August, 2018. The Company had convened its 32nd Annual General Meeting on 2nd October, 2018.

**K Declaration by Chairperson on the Truthfulness and accuracy of Information**

I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. I hereby declare that to the best of my knowledge and belief, the information contained in this report is true, accurate and complete and there are no other matters concealed the omission of which shall adversely affect the informed investment decision by the investors.

  
 Shukla Wassan

Chairperson

Date: 15th November, 2018 (29th Kartik, 2075)